

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Carol C. Lam***

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For Immediate Release

NEWS RELEASE SUMMARY - February 16, 2006

United States Attorney Carol C. Lam announced today that a federal grand jury sitting in San Diego handed up an indictment charging Renato Bernaldo Paulin (“Paulin”), the owner and operator of Benison Medical Supply, Inc. (“Benison”), a San Diego medical equipment supplier, with defrauding Medicare and conspiracy to defraud Medicare. Paulin was arraigned on the indictment today in federal court.

The indictment charges that between 1997 and 2003, Paulin was involved in a scheme to defraud the Medicare health care program through the submission of more than \$1,000,000 in false and fraudulent claims for payments relating to the purchase of motorized wheelchairs and motorized wheelchair accessories. The indictment also charges that Paulin was paid more than \$600,000 for the false and fraudulent Medicare claims. As part of the scheme to defraud Medicare, the indictment charges that Paulin: (1) billed Medicare for motorized wheelchairs and accessories that were not medically necessary for the beneficiary; (2) billed Medicare for motorized wheelchairs and accessories that were never provided to the beneficiary; and (3) billed Medicare for motorized wheelchairs and accessories, when in fact, Paulin provided the beneficiary with

a scooter, instead of the higher reimbursed motorized wheelchair (Medicare reimburses a medical equipment supplier approximately \$3,000 more for a motorized wheelchair than a scooter).

The indictment further charges that Paulin conspired with Dr. Romulo Valdez (“Valdez”), a San Diego physician, to sign false “Certificates of Medical Necessity,” which Paulin then used to submit false and fraudulent claims to Medicare for unneeded motorized wheelchairs and motorized wheelchair accessories. Medicare regulations require physicians to sign “Certificates of Medical Necessity” verifying the beneficiary’s need for a motorized wheelchair. Medicare will not pay for motorized wheelchairs without this documentation of medical need. Valdez previously pled guilty in San Diego federal court and admitted that his role in the conspiracy was the signing of Certificates of Medical Necessity for motorized wheelchairs not needed by the beneficiaries, knowing that Paulin would use Valdez’s false certifications to bill Medicare for the unneeded wheelchairs.

First Assistant United States Attorney Stephen P. Clark said, “Medicare fraud is widespread, costing the government millions of dollars at a time when every dollar is needed. Through his fraud, the defendant has deprived Medicare of funds for those in true need of medical care.”

"Maintaining the integrity of the Medicare program is a top priority," said Daniel R. Levinson, Inspector General at the U.S. Department of Health and Human Services. "The Office of Inspector General will continue to work closely with our law enforcement partners to vigilantly investigate durable medical equipment schemes and prosecute those individuals, like Mr. Paulin, who defraud the Medicare program," Levinson added.

FBI Special Agent in Charge Daniel R. Dzwilewski stated, "Mr. Paulin's motorized wheelchair scheme has defrauded Medicare at a time when every dollar of these resources is needed. By providing unnecessary medical equipment, Mr. Paulin drained funding intended to help those truly in need. The FBI will continue to aggressively investigate all allegations of health care fraud."

DEFENDANT

Renato Bernaldo Paulin

SUMMARY OF CHARGES

Conspiracy to Defraud the United States in violation of Title 18, United States Code, Section 371

Maximum penalty: Five years in prison and a \$250,000 fine

Health Care Fraud in violation of Title 18, United States Code, Section 1347

Maximum penalty: Ten years in prison and a \$250,000 fine

AGENCIES

U.S. Department of Health and Human Services, Office of Inspector General

Federal Bureau of Investigation

California Department of Justice, Bureau of Medical Fraud and Elder Abuse

California Department of Health Services, Medi-Cal Fraud Prevention Bureau

An indictment is not evidence that the defendant committed the crimes charged. The defendant is presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.